



Director of
Central
Intelligence

~~Top Secret~~

25X1

OCPAS/CIG

CI# 285

25X1

National Intelligence Daily

Thursday
1 December 1983

~~Top Secret~~

25X1

Page Denied

Top Secret

25X1

Contents

Lebanon: Flareup of Violence 1

Grenada: Political Problems for Interim Government 2

Nicaragua: Hollow Dialogue 3

Cyprus: Turkish Moves To Legitimize Independence 4

Bangladesh-USSR: Moves To Halt Unrest 5

China-Japan: Results of Chinese Party Leader's Visit 6

Nepal-US: King's Visit 7

25X1

Canada-US: Court Supports Missile Testing 9

25X1

Bulgaria: Presuccession Maneuvering 10

Qatar-Libya: Suspending Diplomatic Relations 11

Netherlands: Wage Cuts in Prospect 11

Special Analyses

USSR: Political Implications of Andropov's Illness 12

France: Tensions in the Coalition 15

Top Secret

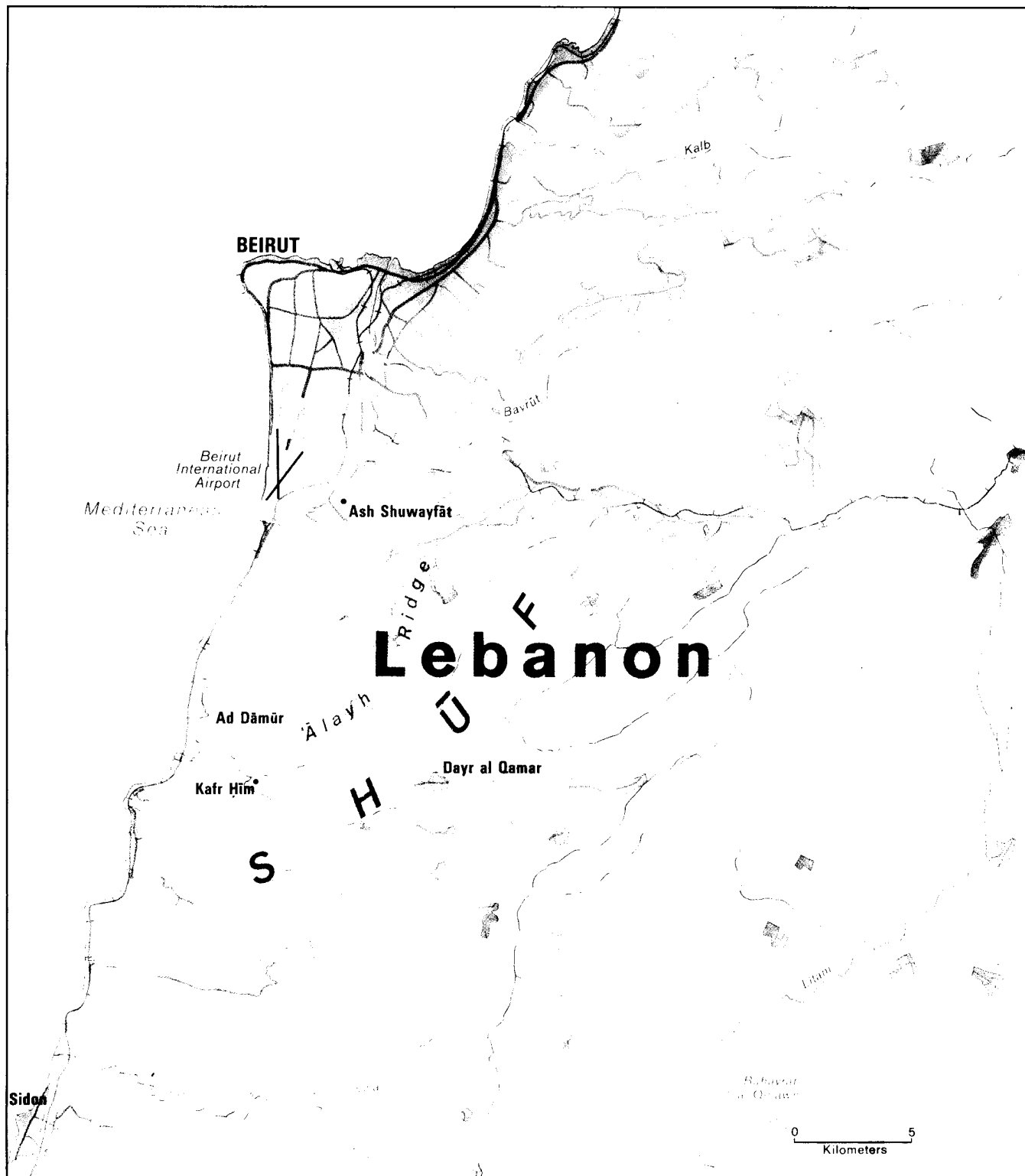
25X1

25X1

1 December 1983

Top Secret

25X1



700768 12-83

Top Secret

1 December 1983

25X1

Top Secret

25X1

LEBANON: Flareup of Violence*Increased military activity by the Lebanese Army*

25X1

may be aimed at strengthening President Gemayel's negotiating position in Washington.

25X1

25X1

25X1

The new round of violence in the Beirut area that began several days ago followed Army artillery attacks on Druze villages on the Alayh ridgeline. Druze forces responded by shelling Army positions in and around Beirut.

25X1

25X1

Comment: The shelling by the Army may be intended to interrupt the flow of men and arms along the infiltration route between the Shuf and Beirut's southern suburbs. The government, however, also may want to raise the level of violence and create an atmosphere of crisis on the eve of Gemayel's visit to the US.

25X1

During his visit, Gemayel is likely to seek a major US commitment to his government.

25X1

25X1

25X1

25X1

25X1

Top Secret

25X1

Top Secret

25X1

GRENADA: Political Problems for Interim Government

Political apathy and growing concerns about security after US forces depart are compounding the difficulties facing the interim government. [redacted]

25X1

[redacted] the Advisory Council has not yet begun to function because of confusion about its responsibilities, poor coordination, and inert leadership. The Council suffered a major setback when Alister McIntyre decided not to assume the chairmanship, and Governor General Scoon reportedly has learned to his regret that two of his appointees to the Council have leftist ties. [redacted]

25X1

25X1

In addition, many Grenadians fear acts of terrorism by hardcore remnants of the Army after US forces withdraw. This concern has been magnified by the populace's lack of confidence in the Caribbean Peacekeeping Force. [redacted]

25X1

Comment: Many of the government's problems are an inevitable result of the turmoil associated with the fall of the Bishop regime and the subsequent intervention. These difficulties do not pose a threat in the near term, but, as US forces leave, political stability increasingly will be linked to the government's competence. Even though Scoon faces a generally apathetic population, criticism from political hopefuls will intensify unless he takes specific steps toward general elections. [redacted]

25X1

The government also will have to decide how to deal with the imprisoned radical leaders of the Bishop regime, neutralize any active remnants of the Army, and show progress in building a competent security force. If the security situation deteriorates, many Grenadians probably will accuse the US of abandoning them. A continued US military presence, however, could become politically controversial and work against the government's efforts to achieve credibility.

25X1

Top Secret

25X1

Top Secret

25X1

NICARAGUA: Hollow Dialogue

The opposition has raised issues in recent talks troublesome to the Sandinistas, but no problems were resolved and no additional meetings have been set. [REDACTED]

25X1

Sandinista leaders of the quasi-legislative Council of State claimed that an invasion was imminent and called for domestic unity with the Democratic Coordinating Board, the opposition's umbrella organization. The Board replied that an effective national dialogue would have to include the insurgents. It also insisted that the Contadora countries act as witnesses to guarantee any agreements.

25X1

The Board's president reports that the opposition had earlier rejected two invitations to meet with the Council of State because it feared that the Sandinistas would exploit the talks for propaganda purposes. The Board reversed its decision to avoid appearing intransigent, but it insisted that it be allowed to report on the meeting without censorship. Although the Sandinistas agreed to the stipulation, they later reneged. [REDACTED]

25X1

Meanwhile, the Sandinistas say they will announce this weekend a date for elections planned for 1985. A Council of State committee was appointed in September to draft an electoral law. The opposition, however, was excluded from membership. [REDACTED]

25X1

Comment: The political opposition is small and weak, but in recent weeks it has increased its criticism of the regime and its organizing activities. Although the opposition has kept its distance from the anti-Sandinista insurgents, its advocacy of negotiations probably will aid the insurgents' political legitimacy and reinforce the regime's tendency to view internal opponents as a potential fifth column. [REDACTED]

25X1

Selective relaxation of controls is part of the Sandinistas' current diplomatic strategy, and they are portraying the talks with the opposition as additional evidence of their willingness to negotiate. Nevertheless, recent massive increases in the number of Nicaraguans directly involved in civil defense and the militia have led to more direct controls over more citizens than ever before. [REDACTED]

25X1

Top Secret

25X1

Top Secret

25X1

CYPRUS: Turkish Moves To Legitimize Independence

Turkish Cypriot efforts to strengthen their position on Cyprus, combined with Ankara's vigorous public relations campaign on behalf of the new "state," almost certainly will harden Greek Cypriot opposition to negotiations and ultimately could strain US relations with Greece and Cyprus. []

25X1

The US Embassy in Nicosia reports that the Turkish Cypriots are drafting legislation on a separate flag, on adopting a national anthem, and on issuing passports and that they are to begin writing a new constitution shortly. The local press states that a referendum on the draft constitution probably will be held in the next few months, followed by an election in early spring. Turkish Cypriot leader Denktash also is threatening publicly to restrict the movements of the UN peacekeeping force unless the UN signs a special agreement with his government—a move that would imply de facto recognition. []

25X1

25X1

Comment: The Turks and Turkish Cypriots probably are anxious to legitimize the new "state" as quickly as possible in order to strengthen Turkish Cypriot claims of equality with the Greek Cypriots. They are likely to appeal for support from Pakistan, Jordan, Malaysia, Saudi Arabia, and Iraq during the Islamic Conference early next week.

25X1

Athens and Nicosia so far appear pleased with US statements opposing the Turkish Cypriot declaration of independence. The Greeks and Greek Cypriots, however, almost certainly will interpret the latest Turkish and Turkish Cypriot maneuvers as evidence that Ankara is aiming for the permanent partition of Cyprus. As a result, they will expect the US to take action over the next month or so to persuade Turkey to change its position, and they will begin to blame the US if the stalemate persists. []

25X1

Top Secret

25X1

Top Secret

25X1

BANGLADESH-USSR: Moves To Halt Unrest

The government is imposing tough restrictions on opposition activity to end the violence, and it has ordered the expulsion of some Soviet diplomats. []

25X1

Army troops have curbed further violence in Dhaka through a strict curfew, but the US Embassy reports disturbances erupted yesterday in other major cities. The military has extended its strong enforcement measures to these areas and is trying to find and arrest political opposition leaders in hiding. The worst violence occurred in Chittagong—the country's major port and second-largest city—where a general strike took place. []

25X1

The military welcomes the reimposition of harsher martial law, [] Many Army officers believe that Chief Martial Law Administrator Ershad's recent liberalization policies have encouraged political activists to stage protests. []

25X1

25X1

[] Dhaka has informed Moscow that it believes the Soviets financed and directed the leftist parties to agitate against the martial law regime. Ershad has ordered the expulsion of at least 18 Soviet diplomats and the closing of the Soviet Cultural Center. The Soviets have accused Ershad of acting on behalf of the US. []

25X1

25X1

Comment: The military's presence in the streets is likely to reduce the violence. Senior military officers probably will support Ershad, provided he does not again loosen the restrictions on civilian politicking. Strict martial law controls are likely to be relaxed somewhat, however, following the meeting of Islamic Conference Foreign Ministers that is to begin next Tuesday in Dhaka. []

25X1

The expulsion of some Soviets will restrict but not eliminate Moscow's funding of leftists. The Soviets probably will retaliate for the expulsions, but their actions will be tempered by a desire not to undermine further their ability to influence internal developments. []

25X1

Top Secret

25X1

Top Secret

25X1

CHINA-JAPAN: Results of Chinese Party Leader's Visit

Chinese party leader Hu Yaobang's recent trip to Japan underscores interest on both sides in developing closer economic ties and political cooperation. []

25X1

To reassure the Japanese about the potential impact of the current drive against the spread of outside influences in China, Hu reaffirmed Beijing's commitment to open China to foreign contacts and promised legislation to facilitate foreign investment. The Japanese press reports that Tokyo, in response to Hu's appeal for greater Japanese participation in China's modernization program, is considering extending new credits of several billion dollars. []

25X1

Hu and Prime Minister Nakasone emphasized areas of agreement in foreign policy, according to Japanese officials. Hu expressed understanding of Japan's current defense policies. He noted China's interest in reducing tensions in Korea, and he implicitly criticized the North Korean bombing in Rangoon by stressing China's opposition to terrorism of any kind. []

25X1

The Chinese also reassured Tokyo that any improvement in Sino-Soviet relations would not come at Japanese expense. They publicly supported Japan's claim to the Northern Territories held by the USSR and indicated that Beijing would continue to insist on reductions of Moscow's SS-20 deployments in Asia. []

25X1

Hu repeated Beijing's general endorsement of Japan's close ties with the US but, in an apparent reference to US encouragement for Japan to strengthen its defenses, warned Tokyo against allowing the US "to put Japan out front." The Chinese also criticized recent US legislation concerning Taiwan and asked Tokyo to convey their views to Washington. []

25X1

Comment: The visit further encourages closer ties between Beijing and Tokyo. Nevertheless, the Chinese sought to underscore their concern about Japan becoming a military surrogate for the US in the region. []

25X1

Top Secret

25X1

Top Secret

25X1



King Birendra

Age 37 . . . key unifying force of his country . . . hopes to institute democratic reforms . . . lacks strong personality . . . his decisions often reached through consensus and compromise.

301285 12-83

25X1

Top Secret

1 December 1983

25X1

Top Secret

25X1

NEPAL-US: King's Visit

King Birendra is visiting Washington next week hoping to secure a clear endorsement for his proposal to have Nepal declared a zone of peace and to obtain some increase in economic and security assistance. [redacted]

25X1

The King believes US support for his plan would help strengthen Nepal's neutrality as a buffer between India and China. He intends to request more economic aid, including support for continued development of Nepal's hydroelectric power, and additional military assistance. [redacted]

25X1

Birendra also will seek approval for his efforts to liberalize some aspects of the feudal political system. [redacted]
Birendra is concerned that the kind of instability he sees troubling other small countries of the region will spill over into Nepal. [redacted]
[redacted]

25X1

25X1

25X1

The Nepalese leader fears that India—which he views as a Soviet surrogate—will take advantage of any political unrest to overwhelm Nepal as it previously has done in Sikkim and Bhutan. Birendra reportedly will emphasize the threat of Indian domination to justify the need for US military aid. [redacted]

25X1

Comment: The King remains the final authority in Nepal and faces only weak and divided opposition. The political reforms that he has introduced in recent years have been largely cosmetic. His liberalizing instincts are offset by a tendency—reinforced by conservative members of his family and palace staff—to preserve the power of the monarchy. [redacted]

25X1

Birendra's initiative to have Nepal declared an international zone of peace is largely intended as a psychological defense against India. New Delhi probably will accept a carefully worded US approval of the proposal, but it will remain opposed to any increase in foreign military aid to Nepal. [redacted]

25X1

Top Secret

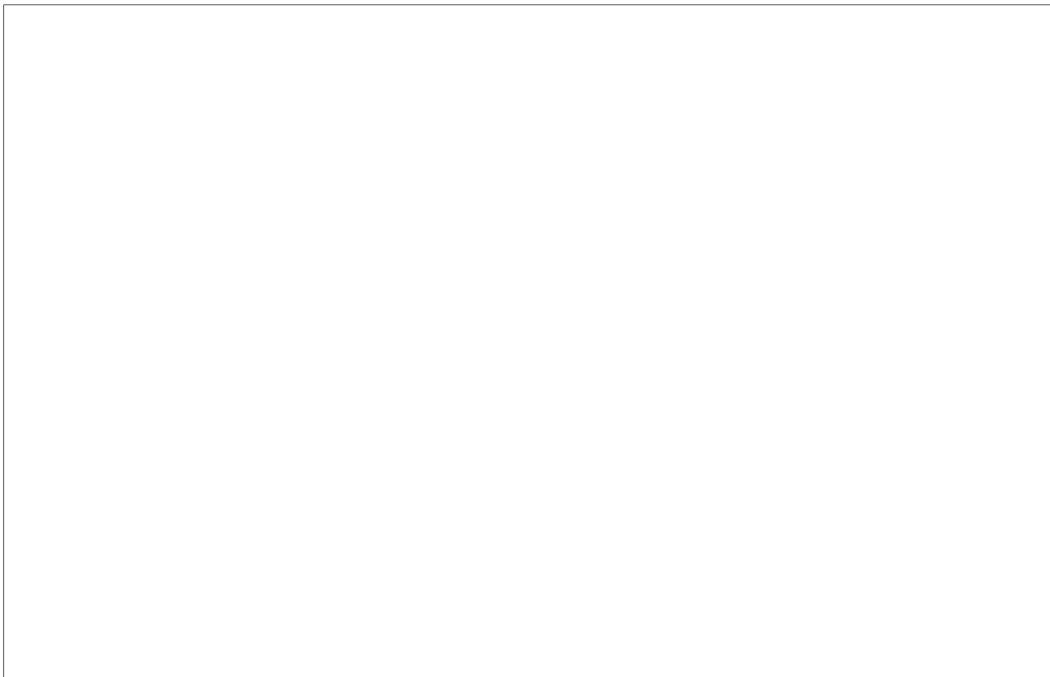
25X1

Page Denied

Next 1 Page(s) In Document Denied

Top Secret

25X1



25X1

CANADA-US: Court Supports Missile Testing

The Federal Appeals Court ruled on Tuesday that Ottawa's decision to permit testing of US cruise missiles in Canada is constitutional. The verdict rejected the claim of a coalition of peace groups that testing would violate the Canadian Charter of Rights and Freedoms. The Court's decision, according to US Embassy officials, probably is a decisive setback for the opponents of testing.

25X1

Comment: The government evidently expected the Court to sanction its decision, and it will use the judgment to buttress its public defense of testing. The Liberal Party's 45-seat majority and the Conservative Party's outspoken support for closer ties with the US also ensure solid parliamentary support. Moreover, Ottawa's commitment to testing, which it describes as part of Canada's contribution to NATO, has become a subtle part of Prime Minister Trudeau's peace initiative. A failure to test would do serious damage to Trudeau's credibility as a spokesman for the West.

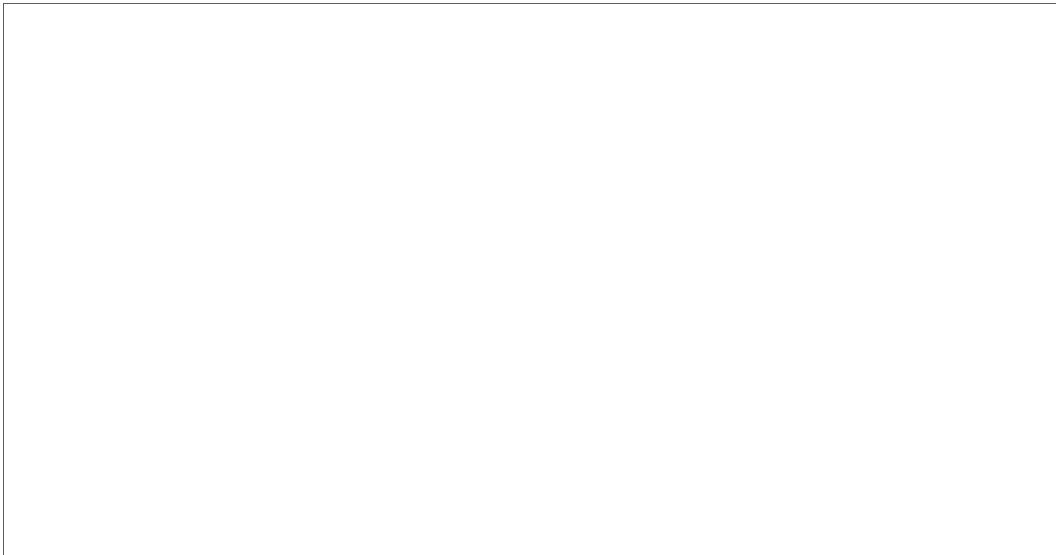
25X1

Top Secret

25X1

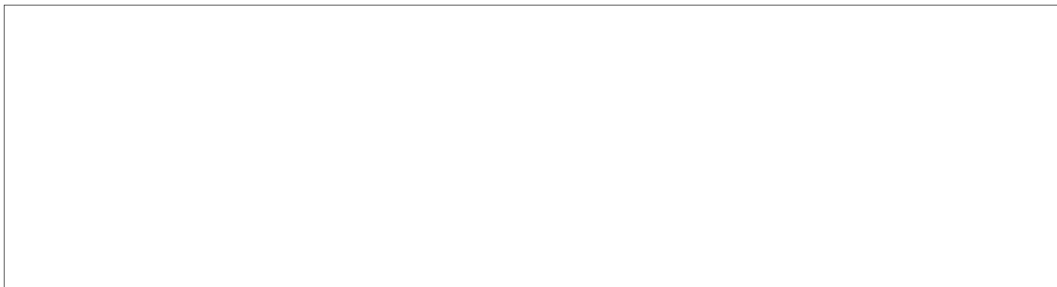
Top Secret

25X1



25X1

BULGARIA: Presuccession Maneuvering



25X1

Comment: Zhivkov, at 72, is healthy and in firm control, but he may be preparing to install a trusted colleague who will continue his policies and help control factionalism. In the last year Zhivkov has allowed Balev to become increasingly prominent. Balev's speeches suggest he supports economic reforms and Zhivkov's recent efforts to expand ties with the West. With Lilov in eclipse, Prime Minister Filipov probably is Moscow's choice, but the Soviets apparently have not yet lobbied for him.

25X1

Top Secret

25X1

Top Secret

25X1

QATAR-LIBYA: Suspending Diplomatic Relations

A senior Qatari official says his government has decided to close its Embassy in Tripoli and ask Libyan diplomats to leave Qatar. He has told the US Embassy that the move was provoked by "proof" that the Libyans paid for arms that were cached near the capital last summer. The arms included Soviet-made anti-aircraft rockets that the Qataris believe were to be used to attack planes carrying leaders of the six Gulf Cooperation Council countries to their recent summit meeting in Doha. [REDACTED]

25X1

Comment: Qatari officials have from the beginning suspected Libyan complicity in the alleged plot to attack the leaders of the summit. Qatar probably has chosen merely to suspend relations because it fears terrorist reprisals by Libya and because Saudi Arabia—its traditional protector—opposes a formal break. Saudi leaders probably condone Qatar's limited action, but they probably do not want to endanger their own recent attempts to improve Arab ties with Libyan leader Qadhafi. [REDACTED]

25X1

NETHERLANDS: Wage Cuts in Prospect

The government faces three more weeks of increasing strike activity by public-sector workers opposed to its plan to cut wages by 3 percent in January. The vice chairman of the largest and most militant civil service union says that his union will not end strike actions until parliament approves the paycut legislation. The most crippling strike was ended last Friday, however, when a district court ordered postal workers to resume normal mail service. Prime Minister Lubbers has offered to resume talks on public-sector wages for 1985-86 after the strikes end. [REDACTED]

25X1

Comment: The Christian Democratic-Liberal coalition has been encouraged by the refusal of private-sector unions to join the strikes, and it will now focus on winning approval of the wage bill before the parliament adjourns on 23 December. Although the legislation almost certainly will pass quickly, union militancy and nervousness among leftwing Christian Democrats probably will force the government to be more cautious in implementing additional cost-cutting measures. [REDACTED]

25X1

Top Secret

25X1

Top Secret

25X1

Special Analysis

USSR: Political Implications of Andropov's Illness

General Secretary Andropov's illness has damaged his political position, may have delayed implementation of economic changes he hoped to make, and hindered Moscow's ability to make or respond to major foreign policy initiatives. To recoup his losses, Andropov may try to accelerate the pace of changes in personnel and domestic policies. This could be a difficult task, given Andropov's weakened political position and his uncertain health.

25X1

Andropov's absence has halted the slow but steady progress he was making in consolidating his power base, and his position probably has eroded somewhat in recent weeks.

25X1

25X1

Moreover, Andropov's illness probably has hindered his ability to take full advantage of opportunities to strengthen his support in the Politburo at the next plenum of the Central Committee and in the regional party organizations, which are holding elections this month and next. The fence straddlers in the Politburo, whose support is crucial to success in these two areas, are less likely to go along with his proposals. They probably lack confidence that Andropov will be around long enough to pay them off or to protect them.

25X1

Impact on Domestic Policy

Andropov's continued absence may be delaying implementation of any changes he hoped to make in economic policy. Before Andropov became ill, he was moving cautiously on the issue of planning and management reform. Those who oppose reform are likely to have been strengthened by Andropov's inability to provide the kind of leadership required for progress in this area. In addition, other leaders probably will be less willing to take political risks in supporting the General Secretary on such matters.

25X1

*continued***Top Secret**

25X1

Top Secret

25X1

Andropov's incapacitation also apparently has created problems in scheduling of the Supreme Soviet session that gives final approval to the annual economic plan. Delay can only serve to heighten uncertainty about Andropov's political position and his ability to get the economy moving again. []

25X1

This uncertainty tends to weaken the effectiveness of the discipline campaign on management and workers. Moreover, it may cause concern among East European states that need to know what resources they can depend on before making their own final plans. []

25X1

Foreign Policy

Andropov's weakened position probably will not have a significant impact on those aspects of Soviet foreign policy where consensus prevails and where there is a certain degree of predictability. These areas would include:

- Policy toward Eastern Europe, particularly in view of the satisfactory development of events in Poland.
- Relations with West Germany, France, and other West European countries.
- Negotiations with China.
- General disarmament policy, particularly at START and MBFR.
- Relationships with key clients in the Third World, especially Cuba and Vietnam. []

25X1

In other areas where events are more unpredictable, however, the USSR's ability to respond quickly may be weaker—as suggested by its recent mishandling of several INF issues. If such is the case, the Soviets probably will continue to have difficulty in responding to unexpected initiatives or fast-changing situations. []

25X1

Such situations could include a new outbreak of hostilities between Israel and Syria that might endanger the Soviet presence there, as well as internal disorder in Eastern Europe, perhaps provoked by austerity measures in Romania. []

25X1

*continued***Top Secret**

25X1

Top Secret

25X1

Andropov's Return

Although Andropov may already have resumed a part-time work schedule, his return would not necessarily end these problems. His reappearance would be likely to improve the leadership's ability to undertake and respond to foreign policy initiatives and to act on urgent domestic problems. [REDACTED]

25X1

On the other hand, Andropov probably cannot be as confident of his ability to shape a consensus on these issues as he was before his illness. If his ailment is seriously debilitating, the policy drift probably will continue and his leadership could come under challenge. [REDACTED]

25X1

Until this latest bout of illness, Andropov had proceeded with the promotion of political allies and domestic policy changes in a deliberate manner. He apparently believed he would be able to accomplish his objectives by slow but steady moves over several years. [REDACTED]

25X1

Now, however, Andropov may calculate that he does not have the time to achieve his goals in this way and that he will have to accelerate the pace of change. If so, he might attempt major personnel and policy changes in the next weeks and months. Ironically, his uncertain longevity would make such moves all the more difficult. [REDACTED]

25X1

Top Secret

25X1

Top Secret

25X1

Special Analysis

FRANCE: Tensions in the Coalition

The French Communists are disassociating themselves from their Socialist partners in the government coalition as the economic austerity program begins to depress living standards. The Communists also have become more critical on foreign policy issues. The increasingly open disputes have prompted the leaders of the two parties to meet today and tomorrow. President Mitterrand, however, is unlikely to bow to Communist pressure and alter his policies. Although this situation probably will cause an increase in friction, the coalition is unlikely to collapse in the near future. The chances for a split may grow over the longer term, especially if the Communists continue to lose ground in elections and opinion polls.

25X1

The coalition recently has suffered a number of setbacks. In elections for local social security boards in October, a majority voted against the two unions most closely associated with the Communists and Socialists.

25X1

The Communists also lost several strongholds in the Paris suburbs this fall in special elections required because of Communist voting fraud in the municipal elections last spring. Opposition parties made slight gains in the elections for one-third of the Senate that were held in October.

25X1

Communist Criticisms

The Communists have been taking an independent line on foreign policy questions since summer. They have contradicted official policy by suggesting that French nuclear forces should be included in arms control talks and by criticizing the dispatch of French troops to Chad and to Lebanon.

25X1

25X1

In addition, the US Embassy reports the Communists have become more critical of the government's domestic policies. The largest labor union in France, which is Communist dominated, is more vocal in defense of jobs and wages. Last month the Communist head of the national coal board resigned in order to disassociate the party from cutbacks in funding that will lead to job losses.

25X1

*continued***Top Secret**

25X1

Top Secret

25X1

The Communists say their recent election losses are the result of the Socialists' failure to keep campaign promises [REDACTED]

25X1
25X1

On the other hand, the Communists have been careful not to go too far. The four Communist ministers have not joined in the criticism, thus avoiding an open division in the cabinet. Party leader Marchais has denied publicly that differences are serious enough to warrant leaving the government. [REDACTED]

25X1

At the Socialist Party's congress in late October, party leader Jospin criticized the Communists. Public opinion also is becoming increasingly disenchanted with the presence of Communists in the cabinet. Nearly half of those responding to a poll taken in mid-November expressed dissatisfaction with Communist participation in the government and indicated that the Communists should remain for as short a time as possible. [REDACTED]

25X1

Prospects for the Partnership

At the meetings today and tomorrow, the leaders of the two parties will review the joint agreement on policy drawn up after the leftist victory in 1981. [REDACTED]

25X1

25X1

[REDACTED] The Embassy reports the Socialists clearly hope to avoid a split. [REDACTED]

25X1

25X1

More disagreements are likely, however, and the Communists probably will continue to criticize the government. If they do decide on an open break, it will probably come over an economic issue where the Socialist Party is vulnerable and where they are not open to a charge of acting as a client of the Soviets. For the same reasons, Mitterrand would prefer that any break be over foreign policy, an area where he has wide support. [REDACTED]

25X1

Elections for the European Parliament next June will provide another test of the coalition's popularity. If the Communists' political fortunes continue to decline, they may be tempted to leave the government. They would hope that this would give them time to separate themselves from Socialist economic policies and to rebuild their strength before the legislative elections in 1986. [REDACTED]

25X1

Top Secret

25X1

Top Secret

25X1

Top Secret